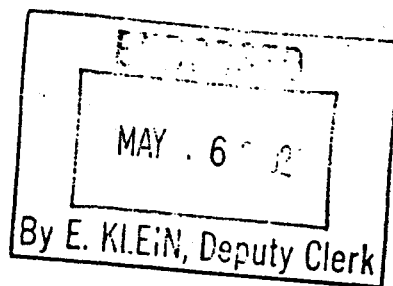


1 JOAN W. CAVANAGH
Assistant Deputy Director, Bar No. 056708
2 DEBRA L. DENTON
Assistant Chief Counsel, Bar No. 164482
3 KEVIN F. DONOHUE
Staff Counsel, Bar No. 194724
4 CALIFORNIA DEPARTMENT OF
MANAGED HEALTH CARE
5 980 Ninth Street, Suite 500
Sacramento, CA 95814-7243
6 Telephone: (916) 323-0435



7 Attorneys for Respondents

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF SACRAMENTO

10 CALIFORNIA MEDICAL ASSOCIATION,)

Case No. 01CS01265

11 Plaintiff/Petitioner,

12 v.

13 DANIEL ZINGALE, Director, Department
14 of Managed Health Care; DEPARTMENT
OF MANAGED HEALTH CARE; and
15 DOES ONE through TEN, inclusive,

16 Defendants/Respondents.

**JUDGMENT GRANTING
PETITION FOR WRIT OF MANDATE
AND COMPLAINT FOR
DECLARATORY AND INJUNCTIVE
RELIEF**

17 The Petition for a Writ of Mandate of Plaintiff/Petitioner CALIFORNIA MEDICAL
18 ASSOCIATION came for hearing on November 30, 2001. Appearing as attorneys were
19 Catherine I. Hanson and Astrid G. Meghrigian for Plaintiff/Petitioner, and Kevin F. Donohue
20 for DANIEL ZINGALE, Director, Department of Managed Health Care, and the
21 CALIFORNIA DEPARTMENT OF MANAGED HEALTH CARE,
22 Defendants/Respondents.

23 The Court, having heard and considered the arguments for and against the granting of
24 the Petition brought by Plaintiff/Petitioner CALIFORNIA MEDICAL ASSOCIATION,
25 enters judgment as follows:

26 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT**

27 (1) The Petition for Writ of Mandate and Complaint for Declaratory and Injunctive
28 Relief is hereby granted.

- 1 (2) DANIEL ZINGALE and the DEPARTMENT OF MANAGED HEALTH
2 CARE (DMHC), its officers, agents, employees, and all persons acting in
3 concert or participating with the DEPARTMENT OF MANAGED HEALTH
4 CARE are permanently enjoined and restrained from implementing California
5 Code of Regulations, title 28, sections 1300.75.4.2 and 1300.75.4.4.
- 6 (3) A writ of mandate shall issue commanding DANIEL ZINGALE and the
7 DEPARTMENT OF MANAGED HEALTH CARE, its officers, agents,
8 employees, and all persons acting in concert or participating with the
9 DEPARTMENT OF MANAGED HEALTH CARE to cease and desist from
10 the implementation of California Code of Regulations, title 28, sections
11 1300.75.4.2 and 1300.75.4.4.
- 12 (4) California Code of Regulations, title 28, sections 1300.75.4.2 and 1300.75.4.4
13 are invalid because there is no evidence in the rulemaking record that the
14 regulations would not adversely affect the integrity of the contract negotiation
15 process between the health care service plan and the risk-bearing
16 organizations. Without such evidence, the adoption of these regulations was
17 arbitrary and capricious.
- 18 (5) The Court finds no violation of the Uniform Trade Secrets Act, California
19 Civil Code section 3426, *et seq.*

20
21
22 Dated: _____

MAY 16 2002


HONORABLE GAIL D. OHANESIAN
Judge of the Superior Court